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THE WHITE HOUSE WASHINGTON

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CABINET AFFAIRS STAFFING MEMORANDUM

SUBJECT: Decision Memorandum for the President from the Cabinet Council on

DATE: _____ NUMBER: 118541CA

| Commerce and | rade - L | abor Ma | nagement Dialogue | <u></u> | | | | | |
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| | ACTION | FYI | | ACTION | FYI | | | | |
| ALL CABINET MEMBERS | | | Baker | | | | | | |
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| Defense Attorney General | | | Harper | 12 | | | | | |
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| Education Counsellor | | | | | | | | | |
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| UN USTR | | | CCCT/Gunn | | | | | | |
| CSTR | | | CCEA/Porter | | | | | | |
| CEA | | | CCFA/Boggs CCHR/Carleson | | | | | | |
| CEQ OSTP | | | CCLP/Uhlmann | | | | | | |
| | | | CCMA/Bledsoe | | | | | | |
| | _ | | CCNRE/Boggs | | | | | | |
| REMARKS: Attached is a decision memorandum for the President from the Cabinet Council on Commerce and Trade regarding Labor-Management Dialogue recommendations from the National Productivity Advisory Committee. Please forward any comments to the Office of Cabinet Affairs before March 18, 1983. Phone I a "No Nommeral" response. [5 Mar 83] | | | | | | | | | |
| Ass for | ig L. Fuller istant to the Cabinet Affai -2823 | | Becky Norton Dunlop Director, Office of Cabinet Affairs 456–2800 | L300 |) | | | | |

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MEMORANDUM FOR THE PRESIDENT

FROM: CABINET COUNCIL ON COMMERCE AND TRADE

SUBJECT: Labor-Management Dialogue

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ISSUE

The National Productivity Advisory Committee (NPAC) has recommended that the Administration take actions to promote and improve the climate for labor-management cooperation. The Committee specifically recommended that the Government should, as a matter of policy, act as a catalyst in the development of continuing labor-management cooperative efforts in the areas of productivity, product quality, and quality of working life.

The Cabinet Council on Commerce and Trade has considered a recommendation that you appoint a distinguished person outside the Administration, who enjoys the confidence of both labor and management, to form a high level panel made up of business and labor leaders to make recommendations as to how labor and management might work together more effectively to improve the Nation's productivity and international competitiveness.

The Cabinet Council recommended that the issue be presented to you for decision.

OBJECTIVES

Over the past two decades, the United States has suffered from a slowdown in the rate of productivity improvement and a related erosion in its competitive position in world markets. A number of factors have influenced this trend, such as inadequate investment in new capital equipment, misguided tax policy, and restrictive trade policies of other Nations. The Administration has already made important progress in correcting these problems. Further progress requires that management and labor work together to take those steps that are necessary to improve productivity.

The relationship between employers and unions is, of course, primarily the responsibility of the parties themselves. The history of adversarial relationships between management and labor argues, however, for a government role acting as a "catalyst", encouraging dialogue between the parties.

Up to now, the Administration has not played a major role in encouraging greater labor-management cooperation. The NPAC recommendation provides an opportunity for us to launch an initiative in that regard. The issue then is whether the Administration wishes to assert its influence in this area and, if so, what actions should be taken to carry out its mission.

RECOMMENDATION

The President appoint a distinguished person outside the Administration, who enjoys the confidence of both labor and management, to form a high level panel made up of business and labor leaders. This panel would be asked to reach agreement on the types of issues most susceptible to joint labor-management resolution and to make recommendations to the business and labor communities as to how they might work together on these issues to achieve higher national productivity and worker satisfaction.

This action would be taken in conjunction with the White House Conference on Productivity to be held this year, with a report of the labor-management panel to be included as part of the findings of the White House Conference. Staff support will be provided to the panel by the Department of Labor.

Advantages

- o The Administration would be responding positively to a major recommendation of NPAC dealing with an important public concern.
- o By asking leaders of labor and management to provide their judgments, the Administration would be honoring its longstanding policy of encouraging active involvement of private sector leaders in the resolution of major problems facing the country.
- o Appointing a distinguished person to assemble the labor-management panel, rather than appointing the panel directly, will enhance public perception of the Administration's objectivity and increase the opportunities for active participation by key leaders of the AFL-CIO.
- o By not including Government representatives on the panel, we would emphasize the importance of labor and management working together without the leadership role being absorbed by the Federal Government.
- o Many of the industries most severely affected by foreign imports are highly organized, highlighting the need for mutually agreed upon solutions.

Disadvantages

- o Concern has been expressed that such a panel might be represented more by big business and big labor rather than by those groups providing jobs for the vast majority of workers.
- o Consensus recommendations made by leaders of big business and big labor might be inconsistent with Administration objectives.

DECISION

| | Support appointment of distinguish high level panel of business and lecommendation on labor-management | 1ab | or le | eader | s to | make |
|-------------|--|-----|-------|-------|------|------|
| | productivity. | ٠. | | | | |

Oppose such an appointment.

Chairman Pro Tempore